
Report and accounts

For the year ended 31 March 2022

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Directors' report

Our vision

A just and peaceful world, in which everyone enjoys the rights and freedom to live and thrive with dignity, free from fear and insecurity

Our mission

We work in solidarity with communities, civil society and partners to prevent and transform violent conflict, advocate for peace and social justice, and build safer lives. We work to create environments where the following three 'peace conditions' are in place for peace to become the norm:

- People have the freedom and resources to work together to transform conflict and hold authorities to account.
- People have access to fair and effective paths to address the grievances and inequalities that drive conflict.
- People and institutions with influence use their power and resources to promote justice, peace and equality for all.

Our culture and values

As people and as an institution we are committed to creativity, learning and reflection guided by the following culture and values:

Diversity: we listen to and learn from the perspectives of the diverse cultures and communities represented among our staff, our partners and others who we work with around the world. We embrace everyone's unique background and identity without prejudice or bias.

Inclusion: Saferworld strives to be a place where everyone feels comfortable, included and valued, where difference is respected and where every person has an equal and full opportunity to make a difference through their work.

Solidarity: We act in solidarity with others working collaboratively for positive change. We commit to playing our part in confronting discriminatory attitudes, biases and 'colonial' mind-sets where they exist in the systems and processes we engage with.

Transparency: we believe that our actions must be transparent and consistent with our principles and mission both inside and outside of the workplace.

Respect: We are aware of the responsibility that comes with holding positions of power in relation to people we work or engage with, including colleagues and those we work with.

Safety: Providing a safe and trusted environment that safeguards our staff, partners and programme participants is a priority for Saferworld.

Long-term strategic objectives

The actions we take are guided by five strategic objectives. Together these contribute to creating necessary conditions for social and political change. They allow us to work flexibly to ensure we remain relevant to specific conflict dynamics:

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- **Strategic Objective 1: Inclusive peace and justice**
Work for conflict transformation and political transitions rooted in equality and justice, and built on inclusive institutions and processes.
- **Strategic Objective 2: People-centred security**
Drive momentum to put people at the heart of 'security' everywhere.
- **Strategic Objective 3: Gender equality**
Challenge and transform the gender norms that drive violent conflict and gender-based violence, and support the leadership of women and girls in peacebuilding.
- **Strategic Objective 4: Redesigning international engagement**
Contribute to redesigning the way international institutions and systems engage in conflict-affected places and work with peacebuilders and decision-makers to create humanitarian, peace and development systems that prevent and transform violent conflict.
- **Strategic Objective 5: Climate, conflict and the environment**
Provide conflict and peacebuilding expertise to support urgent solutions to the combined threats of the climate crisis, conflict and environmental degradation.

We work across countries and territories in Africa, Asia and the Middle East with our partners and a wide network of other associates, using evidence and experience from our programmes to influence decision makers – leading to real changes for those affected by conflict and violence.

Executive Director's introduction

2021/22 was another tumultuous year where the global challenges we face remain as poignant as ever. It was characterised by the struggle between democracy, authoritarianism and rising repression resulting in mass migration and forced displacement. Few conflicts ended, and those that continued got markedly worse. Regrettably, the year will be defined by how it ended, with the Russian invasion of Ukraine which has seized our attention and brought into stark relief two things. First, the fragility of the rules-based international order which exacerbated conflict and instability; and secondly, how rapidly peacebuilding is under significant pressure by militarisation and humanitarian responses at a time when increased funding gaps are widening and the scale of the response continues to fall far short of the need.

During the year we formally launched our new ten-year organisational strategy – a collective undertaking that makes a bold statement about Saferworld's future vision and sets out our offer to those working to prevent and transform conflict, and build lasting just peace. We are working hard to live this strategy, in solidarity with those who are at the forefront of protests demanding justice and the right to live more peaceful lives.

Performance highlights of progress achievements

In the period to 31 March 2022, Saferworld:

- implemented gender- and conflict-sensitive peacebuilding and community security programmes in a wide range of contexts, including: Myanmar, Kenya, Kyrgyzstan, Somalia/Somaliland, South Sudan, Sudan, Tajikistan, Uganda, Uzbekistan and Yemen
- supported 217 community groups with financial resources, training, mentoring and accompaniment to implement 708 community-led initiatives to address community peacebuilding and security priorities
- worked with 81 partners, a third of which are women-led
- directly reached 14,706 people (42 per cent women, 58 per cent men) through

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- training and capacity-building workshops, mentoring, roundtables, policy discussions and other activities
- provided 21 women's rights organisations in Yemen, South Sudan and Nigeria with flexible core grants to address their own priorities

Highlights of outcomes from 2021–2 to which Saferworld and its partners have contributed include:

- Peaceful consensus and a reduction in violence between warring Pobura and Pobira clans in Uganda, a conflict dating back to the 1960s, as a result of careful facilitation and intervention by Saferworld-supported community action groups.
- Engagement of Kenyan youth vulnerable to mobilisation by violent groups in electoral registration activities ahead of the 2022 general election.
- Reduction in tensions between community members and the military in Tonj North, South Sudan following reconciliation and dialogue activities led by local community groups.
- Establishment of a Judicial Service Commission, a key community demand, in South-West State of Somalia, as a result of committed advocacy by community groups.
- Saferworld and partners invited to participate in a national cross-sectoral working group to develop a unified crime prevention and community security policy in Kyrgyzstan.
- Resolution of community conflicts in Yemen, Uganda and South Sudan related to natural resource tensions exacerbated by climate change.
- The Karen National Union in Myanmar begins the process of developing a gender policy, supported by Saferworld partner the Karen Legal Assistance Centre (KLAC).
- Women's rights organisations in Yemen, South Sudan and Nigeria enjoyed greater financial and operational sustainability due to provision of flexible core grants, leading to strengthened reach and impact from their interventions, for example increased women's economic independence in South Sudan.
- The revised UN Global Counter-terrorism Strategy incorporates vital safeguards on civic space, human rights, and gender.
- The UK's Office for Conflict Stabilisation and Mediation highlighted gender inequality as a driver of conflict in their draft conflict strategic framework on their own initiative, highlighting an institutionalisation of gender-sensitive conflict analysis approaches.
- The European Union's Roadmap for Engagement with Civil Society in Yemen includes provisions on increased core funding to Yemeni civil society organisations, and their enhanced participation in domestic and international discussions on the peace process.
- Establishment of country-level conflict sensitivity facilities by the UK Foreign, Commonwealth and Development Office in Afghanistan (contract awarded to Saferworld) and the US Agency for International Development (USAID) in Central America – the latter modelled on the Saferworld-led Conflict Sensitive Resource Facility in South Sudan.
- The Dakar Action Plan of the intergovernmental Forum on China-Africa Cooperation commits to international collaboration on illicit transfer and misuse of small arms and light weapons.

Details of our work including regional and policy programme highlights can be found on our website <https://www.saferworld.org.uk/>.

Safeguarding

Saferworld has a zero-tolerance policy for any type of abuse, exploitation or harassment of staff members, associates (interns, trustees, consultants and sub-contractors), partners and programme participants. Our duty of care translates into preventing all sexual abuse, exploitation or harassment, other forms of harassment and bullying, with special preventative measures for harm against children and vulnerable adults. We are also committed to responding to all cases of abuse in a confidential, sensitive, survivor-centred and effective manner.

In line with this, we have developed a set of tools to support project-level and organisational safeguarding systems. These include:

- a project risk assessment to conduct with partners at the beginning of all projects, to prevent and mitigate safeguarding cases
- an organisational risk assessment to undertake with partners to understand their needs for support in safeguarding and to assess possible learning from each other's practices
- a tool to update and strengthen our reporting mechanisms and ensure they are suitable for the specific contexts where projects take place and for the groups of people who might use them, as well as for project coordinators and partners in charge of communicating these reporting options to all project participants
- a tool to undertake a gender-based violence (GBV) services mapping, to list all GBV services and referral pathways in each region where we work, suitable for different groups
- a training tracker to ensure that all teams and partners are up to date with safeguarding training

All teams at Saferworld use these tools systematically with our partners to enhance safeguarding in our work. We also continue to provide regular training and awareness raising to teams and partners. All staff members take part in a safeguarding induction and a similar session takes place during a project's inception phase with partners. Teams are asked to be part of an in-depth safeguarding training every two years and partners are also invited. These trainings cover prevention, reporting and response, and contribute to building an organisational culture that mitigates any harm driven by structural power relations, in line with our IDEAS (Inclusion, Diversity, Equality, Anti-Racism, Solidarity) strategy.

Financial review of the year

Income in the year was £14.1m, a decrease from the £18.8m of the prior year that mainly stems from a reduction in restricted income due to the challenging funding environment brought on by the Covid-19 pandemic.

Our main sources of funding come from a range of government and institutional donors, the largest being the European Commission, the Netherlands, UK, Swedish and US governments. We offer special thanks to Sida for their unrestricted funding support.

Expenditure in the year was £14.8m (2021: £18.3m). Restricted income was £11.4m and restricted expenditure £12.5m, a deficit of £1.1m (2021: £0.5m).

At the year-end, restricted reserves were £1.8m (2021: £3.2m). This is a matter of the timing of receipts and payments of restricted funds accounts.

Unrestricted income in the year was £2.7m (2021: £2.3m) against unrestricted expenditure of £2.3m (2021: £2.2m). Saferworld was able to generate an unrestricted surplus in the year of £0.3M. Unrestricted reserves were adjusted to £1.6M (2021: £1.1M) which was a result of the surplus and transfers from closed restricted grants to unrestricted.

Support costs as a percentage of total expenditure remained flat at around 15% of expenditure.

Risk management

The trustees have identified the main risks facing the charity as follows:

- **Staff and partner safety and security:** Our Safety and Security policy sets out our agreed ways of working. Suitable training on security issues is provided to new staff and regularly refreshed. Visiting staff, partners and other personnel are trained on appropriate security needs when they visit a new location. The policy is overseen by a central Operations Team.
- **Political instability and conflict in the countries and within communities with whom we work:** Saferworld is part of a group of specialists working in unstable environments in security-related topics. Our experience allows us to work effectively, mindful of our personal safety, and also to ensure our work continues in turbulent times. We are skilled at working with partners remotely and using techniques to bridge temporary times of unrest, in safety, for example in our current Yemen work.
- **Resistance from governments and vested interests** to objective assessments of causes and drivers of insecurity: Saferworld has experience of working directly with local and central governments and agencies, where a considered approach is required to highlighting issues of insecurity. The safety of our staff and partners is of paramount importance. We work only when there is a genuine interest in the outcomes, and we manage competing interests to ensure positive outcomes through dialogue.
- **COVID-19:** The pandemic has affected the delivery of activities under our programmes. We respond by adapting our programmes for delivery in the changing circumstances and we make a deep assessment of operational conditions. We continue to develop capacity and infrastructure for long-term adaptation of our work in light of evolving circumstances.
- **Funding challenges** abound, due to the COVID-19 crisis and changing donor priorities, and a lack of diversity of income. We are reviewing our resourcing strategy and strengthening our fundraising capacity while seeking deeper engagement with donors over the long-term. With funding reductions, we are increasing our efforts to diversify our funding and secure funding over longer time periods.
- **Staffing** The availability and capacity in challenging environments. We seek to continue to support existing staff through fair and appropriate policies on salaries, time off and leave.
- **Reputational risk:** our policy work delivers quality advice, often in the form of strong clear message, to governments, other actors and other interested parties. Unclear or weak messaging may adversely impact our reputation. Mitigations include peer-review, as well as formal systems to cover research, style, publication and dissemination ahead of sign-off, especially on major or sensitive publications. Regular training and contact with our Country Programmes to enhance the quality of our output reduces the risk of insufficiently considered work being published.
- **Cyber Security:** Is an ever-present risk. The charity endeavours to maintain as much awareness and oversight as possible.

The trustees update the risk register yearly. Mitigation work undertaken to address the risks cannot alleviate risk altogether and by nature of the work undertaken, the charity does operate in areas of exceptional risk.

Future plans

There is a continuing need for us to adapt to changes in the external political and economic environment. We remain deeply concerned about the funding environment and will seek to pursue greater resilience through:

- adaptation of our programs and developing innovative ways of delivering our work and achieving greater impact and re-investing in the quality and effectiveness of our partnerships at all levels
- organisational review of our systems, structures and decision-making processes and developing leadership capacities in our programme teams
- improving our finance and risk management processes including measures to achieve better cost recovery across all programmes
- ensuring our long-term funding mix offers the best balance of funds to maintain coherent and complementary policy/advocacy and country programme portfolios

Reserves policy

Reserves are held to ensure Saferworld can sustain long-term commitment to our communities, partners and other stakeholders. Total reserves at 31 March 2022 were £3.5m of which £1.6m were unrestricted and ££1.8m restricted reserves. Our reserves policy:

- a) ensures that reserves are sufficient to cover costs that would be incurred in the orderly winding down of the company's activities. This amounts to £1m and comprises: three months salaries of non-programme staff; contractual obligations for all staff; payments for rental notice periods; lease obligations and all other liabilities.
- b) is reviewed at least annually to reflect the current level of programmes being undertaken, the average longevity of service of relevant employees in service and changes in legal obligations relevant to the company's activities.

The current free reserves of £1.6m (2021:£1m). This is higher than the stated reserves policy of £1m. In the next financial year the reserves policy will be reviewed. Due to the potential impact of investments required to upgrade the finance system and some level of financial uncertainty the trustees have elected to maintain a higher level of unrestricted reserves at the current time.

Structure, governance and management

The Charity is constituted as a company limited by guarantee governed by a Memorandum and Articles of Association.

Organisation

The trustees govern Saferworld by working through the Executive Director and Executive Management Team (EMT) who report on performance against the strategic and operational plans approved by the trustees.

EMT meets regularly to review performance against plan. The organisation structure is reviewed periodically to ensure it is appropriate to deliver on its programmes.

We have staff based in Austria, Belgium, Kenya, Myanmar, Nepal, Kyrgyzstan, Tajikistan, Somalia, Somaliland, South Sudan, Sudan, Uganda, the UK, the US and Yemen.

Subsidiary entities:

- Saferworld Europe, based in Brussels, covering our European work; and
- Consulting (Beijing) Co. Ltd, based in **China**

Partner entities:

- Saferworld USA, based in Washington DC is a non-related separate partner entity, covering the USA and Canada, and the two entities collaborate together.
- Saferworld USA numbers and impact are not included in this report.

Trustees

Godfrey Allen (retired October 2022)
 Stephanie Blair (Chair)
 Owen Greene
 Georg Frerks (retired October 2021)
 Theresa Hanley (retired October 2022)
 Lars-Erik Lundin (retired July 2021)
 Golam Morshed (Treasurer)
 Ismayil Tahmazov
 Melanie Ward
 Monique van Es
 Anna Henry (appointed November 2022)
 Christian Leffler (appointed November 2022)
 Ola Selah (appointed November 2022)
 Dr Yvonne Jazz Rowa (appointed November 2022)

Secretary

Mathew Van Lierop (from November 2022)
 Gbenga Coker (resigned 2022)

Executive Director

Paul Murphy

Registered office

Brick Yard
 28 Charles Square London, N1 6HT

Company Number

03015948

Charity number

1043843

Bankers

Barclays Plc

Solicitors

Bates Wells

Auditors

Haysmacintyre LLP

Policy and regulations

Continuing our response to changing policies and regulations around reporting, data protection, safeguarding and terrorism:

- We continue ensure we are compliant with general data protection regulation (GDPR), and we update our privacy and transparency policies, including our reporting in line with the International Aid Transparency Initiative requirements and the US Specially Designated Nationals and Blocked Persons List.
- We continue to be vigilant to matters of cybersecurity. Initially this involves a systematic approach to raising awareness among staff with regular monthly updates. We are working toward UK cyber essentials certification.
- Saferworld has a zero-tolerance policy for any type of abuse, exploitation or harassment. We maintain our efforts to strengthen our safeguarding policies and practice.
- Our Safeguarding policy and procedures apply to all staff and partners. All partner memorandums of understanding with updated policy requirements apply likewise to all our partners.
- Three trustees report to the board periodically on all matters of safeguarding.
- A Safeguarding Working Group, composed of senior management and country representatives, ensures we are embedding strong safeguarding standards in all areas of the organisation. The group is developing a training pack for Saferworld staff and partners on safeguarding to include: a strong reflection on organisational culture and how power and gender dynamics can prevent safeguarding incidents; an overview of the types of abuse covered in our policy; Saferworld's reporting mechanisms; and our survivor-centred approach to safeguarding.
- We also have a safeguarding focal point with at least one representative in all offices, to support to staff, partner organisation staff and programme participants with safeguarding concerns.

Governance

The Board meets at least four times a year. Trustees provide ongoing expertise on their particular skill areas, which include finance, policy research, advocacy and communications, charitable law and governance.

Trustees undertake a skills audit with the aim of attracting members with relevant experience and skills to the Board. In appointing new trustees, consideration is given to gender balance as well as the international nature of our work. Nominees meet with the Chair and Executive Director, who recommend appointments to the Board.

On appointment, trustees agree to adhere by our code of conduct and sign a declaration of eligibility form. Each trustee receives a handbook, which includes the Memorandum and Articles of Association, policies and procedures, including conflict of interest, and other guidance. Trustees are required to complete a declaration of interests each year. Trustees are eligible for reappointment every three years at the Annual General Meeting.

One trustee is charged with the responsibility of ensuring any potential conflict of interest is dealt with according to the policy. In the event of any collaborative work between a trustee and Saferworld, this has to be approved by the Board of Trustees prior to the project, with the interested trustee not present for the discussion and decision.

Fundraising

Saferworld does not employ third-party fundraisers and suitable measures are in place to protect vulnerable people. The organisation has a process in place for complaints to be made and this is publicised on the organisation's website. Saferworld did not receive any complaints in relation to fundraising in the current or prior year.

Public benefit

In reference to Charity Commissions Guidance on Public Benefit, the trustees are confident that our activities, working with individuals, communities and states to reduce and prevent violent conflict meet the public benefit requirement.

Statement of trustees' responsibilities

The trustees (who are also directors of Saferworld for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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Staff

We thank our staff, on whom our success depends for their on-going work and commitment.

We are committed to equality in recruitment, training, promotion and career development. Staff are consulted on a range of issues and each office is encouraged to bring staff together on a regular basis, to discuss current work and future plans.

Our remuneration policy for Key Management Personnel is consistent with our general pay policy, in which we aspire to pay the median market rate for all grades of employee. Pay scales and grade are benchmarked against a range of similar-sized and type of organisation.

In approving this report of the Directors, the Directors are also approving the Strategic Report included here in their capacity as Company Directors.

This report was approved by the Board of Trustees on 21 December 2022 and signed on its behalf by:



Stephanie Blair – Chair

Independent auditor's report to the members of Saferworld

Opinion

We have audited the financial statements of Saferworld for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise

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explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Report of the Trustees have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 14 the trustees (who are the directors of the charitable company for the purposes of company law and the trustees for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent

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charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales and compliance with legislation in the relevant overseas jurisdictions the group operates in, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inspecting correspondence with regulators and tax authorities;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals on a sample basis;
- reviewing the cut-off of income recognised to consider whether income had been recognised in the correct accounting period; and
- challenging assumptions and judgements made by management in their critical accounting estimates including those related to the recognition of income

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

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www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's member, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)
Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

22 December 2022 2022

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Consolidated Statement of financial activities for year ended 31 March 2022

	Notes	Unrestricted funds £ '000	Restricted funds £ '000	Total 2022 £ '000	Total 2021 £ '000
Income from:					
Donations & Legacies	2	14	-	14	9393
Charitable activities	2	2,643	11,409	14,052	18,728
Total		2,657	11,409	14,066	18,821
Expenditure on					
Raising funds	3	138	-	138	336
Charitable activities	4	2,207	12,493	14,700	17,964
Total		2,345	12,493	14,838	18,300
Net income/(expenditure)		312	(1,084)	(772)	521
Transfer between funds		244	(244)	-	-
Net movement in funds		556	(1328)	(772)	-
Fund balances brought forward at 1 April 2021		1,083	3,161	4,244	3,723
Fund balances at 31 March 2022	11	1,639	1,833	3,472	4,244

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Consolidated Statement of financial activities for year ended 31 March 2021

	Notes	Unrestricted funds £ '000	Restricted funds £ '000	Total 2021 £ '000	Total 2020 £ '000
Income from:					
Donations and legacies	2	93	-	93	118
Charitable activities	2	2,224	16,504	18,728	19,984
Total		<u>2,317</u>	<u>16,504</u>	<u>18,821</u>	<u>20,101</u>
Expenditure on:					
Raising funds	3	336	-	336	364
Charitable activities	4	1,905	16,059	17,964	19,707
Total		<u>2,241</u>	<u>16,059</u>	<u>18,300</u>	<u>20,071</u>
Net income and net movement in funds		76	445	521	31
Reconciliation of funds:					
Fund balances brought forward at 1 April 2019		1,007	2,716	3,723	3,692
Fund balances at 31 March 2020	12	<u>1,083</u>	<u>3,161</u>	<u>4,244</u>	<u>3,723</u>

The financial statements were approved by the Trustees and authorised for issue on 21 December 2022 and signed on their behalf by:

SAFERWORLD

Report and accounts for year ended 31 March 2022

Balance sheet as at 31 March 2022

	Notes	2022 Consolidated £ '000	2021 Consolidated £ '000	2022 Charity £ '000	2021 Charity £ '000
CURRENT ASSETS					
Debtors (incl. intercompany balances) and prepayments	8	3,162	2,242	3,944	1,982
Cash at bank and in hand		3,610	3,523	2,615	3,078
		6,772	5,765	6,559	5,060
CREDITORS: Amounts falling due within one year	9	(3,300)	(1,521)	(3,087)	(816)
NET CURRENT ASSETS		3,472	4,244	3,472	4,244
TOTAL ASSETS LESS CURRENT LIABILITIES		3,472	4,244	3,472	4,244
FUNDS					
Restricted funds	11	1,833	3,161	1,833	3,161
Unrestricted funds – other funds	11	1,639	1,083	1,639	1,083
		3,472	4,244	3,472	4,244

The financial statements were approved by the Trustees and authorised for issue on 21 December 2022 and signed on their behalf by:



.....
Golam Morshed
Director and Trustee (Treasurer)



.....
Stephanie Blair
Director and Trustee (Chair)

The notes on pages 24 to 35 form part of these accounts.

SAFERWORLD**Report and accounts for year ended 31 March 2022****Consolidated Statement of cash flows for year ended 31 March 2022**

	2022	2021
	£'000	£'000
Net (expenditure)/ income for the year (as per the statement of financial activities)	(772)	521
Adjustments to exclude non-cash items:		
(Increase) / Decrease in debtors	(919)	342
Increase / (Decrease) in creditors	1,778	(1,171)
Increase / (decrease) in cash and cash equivalents in the year	<u>87</u>	<u>(308)</u>
Cash and cash equivalents at the beginning of the year	3,523	3,831
Total cash and cash equivalents at the end of the year	<u><u>3,610</u></u>	<u><u>3,523</u></u>

Notes to the accounts for the year ended 31 March 2022

1 ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019 – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Saferworld meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b. Basis of consolidation

The group financial statements consolidate those of the charity and its entities (see Note 13) to 31 March 2022.

c. Preparation of the accounts on a going concern basis

The trustees have considered future budgets and cash flows in the context of the overall organisation's business plan. This, combined with a strong reserves position and a solid income pipeline combined to result to mean that the trustees have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future.

d. Funds

Restricted funds are funds used in accordance with specific instructions imposed by the donor or trust deed.

Unrestricted funds are funds available to the charity for its general purposes. These include funds designated by the trustees for particular purposes where their use remains at the discretion of the trustees

It is the policy of the trustees to retain in unrestricted funds amounts which in their judgement can help to mitigate the short-term effects of income volatility and retain funds to generate sufficient income to meet current and future operational activities of the charity.

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e. Income recognition

This comprises fees receivable from the various activities and investment income. All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income from government and other grants is recognised when: the charity has entitlement to the funds; any performance conditions attached to the grant have been met; it is probable that the income will be received; and, the amount can be measured reliably and is not deferred.

f. Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable activities comprise the costs of running the charity's activities in line with the charity's objectives.

Support costs have been allocated to charitable activities. Governance activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice.

g. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid, net of any trade discounts due.

h. Cash at bank and in hand

Cash at bank and in hand includes bank accounts, cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

i. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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j. Vat

The charity is registered for VAT. Irrecoverable VAT is charged to the expenditure heading for which it was incurred.

k. Pension scheme

All permanent UK staff employed by the charity are eligible to join the UK-based defined contribution pension scheme operated by Aviva. The employer contributes 9% of salary provided the employee member 3%.

l. Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing

a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

- The management team makes estimates on accrued and deferred income

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

m. Foreign currency

Assets and liabilities of overseas entities are included in the group balance sheet after converting to sterling at the year-end exchange rate. Income and expenditure transactions are included in the Statement of Financial Activities after converting to sterling at the average exchange rate for the year. Any foreign exchange gain/loss shown in the Statement of Financial Activities represents the gain/loss arising on converting the opening balance sheets of overseas branches at the year-end exchange rate.

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Report and accounts for year ended 31 March 2022

2 INCOME

Restricted Funds	2022	2021
	£'000	£'000
The State of the Netherlands (Netherlands Embassy, Juba)	1,535	2,568
FCDO, UK	3,494	5,741
European Commission	1,725	2,327
UNPBF	186	166
US Department of State	413	1,753
UK Foreign and Commonwealth Office	279	8
USAID	408	235
Other European governments	454	-
United States Institute for Peace	173	162
Open Society Institute	179	-
RTHINKING	223	-
Ministry of Foreign Affairs of Sweden	1,650	3,189
Joseph Rowntree Charitable Trust	212	140
Other smaller grants < £100,000	478	215
	11,409	16,504
Unrestricted Funds		
Swedish International Development Agency	2,381	2,185
Other income (consultancy)	262	39
Donations	14	93
	2,657	2,317
Total Income	14,066	18,821

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Report and accounts for year ended 31 March 2022

3	FUNDRAISING COSTS		2022	2021
			£ '000	£ '000
	Staff costs		114	273
	Direct costs		1	22
	Support and governance costs		23	41
			138	336
4	COSTS OF CHARITABLE ACTIVITIES		2022	2021
			£ '000	£ '000
	Staff costs		4,976	6,230
	Direct costs		7,503	9,571
	Support costs		2,221	2,163
			14,700	17,964
5	SUPPORT COSTS		2022	2021
			£ '000	£ '000
	Support and Governance costs allocated to:			
	Charitable activities	4	2,221	2,163
	Cost of generating funds	3	23	41
			2,244	2,204
			2022	2021
			£ '000	£ '000
	Support costs consist of:			
	Staff costs		1,709	1,492
	Office costs		176	408
	Other charitable expenses		273	202
			2,158	2,102

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Report and accounts for year ended 31 March 2022

GOVERNANCE COSTS

	2022	2021
	£ '000	£ '000
Staff costs	45	43
Audit	41	30
Other expenditure	-	29
	86	102

Net income for the year is stated after charging :

Auditors' remuneration - statutory audit	29	24
Auditors' remuneration - other fees	-	12

6 STAFF COSTS

	2022	2021
	£ '000	£ '000
Wages and salaries	5,451	6,772
Social security	469	515
Pension costs	418	452
Other staff costs including partner costs	504	298
	6,842	8,037

The average number of employees employed by the group and charity was:

	2022	2021
	Number	Number
Programmes	127	180
Fundraising	9	7
Governance and support	10	10
	146	197

The number of the employees during the year, whose gross pay and benefits (excluding employer's national insurance and pension contributions) fell within the following bands, was:

	2022	2021
	Number	Number
£60,000 - £69,999	6	3
£80,000 - £89,999	1	1

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Amounts paid to the Executive Management team (including pension and benefits) amounted to £316k (2021: £303k)

7 TRUSTEES REMUNERATION AND EXPENSES

No trustee received remuneration or expenses during the year (2021: Nil)

8. DEBTORS

	GROUP		CHARITY	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Prepayments	161	120	101	35
Amounts due from donors	1,602	992	1,186	992
Inter-charity balances	-	-	895	384
Other debtors	<u>1,399</u>	<u>1,130</u>	<u>1,762</u>	<u>180</u>
	<u>3,162</u>	<u>2,242</u>	<u>3,944</u>	<u>1,591</u>

9 CREDITORS: amounts falling due within one year

	GROUP		CHARITY	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Creditors	526	666	310	74
Other taxes and social security	29	22	-	-
Accruals	319	584	133	434
Deferred income	<u>2,426</u>	<u>249</u>	<u>2,644</u>	<u>249</u>
	<u>3,300</u>	<u>1,521</u>	<u>3,087</u>	<u>757</u>

Deferred Income

	2022 £'000	2021 £'000
Balance as at 1 April	249	1,748
Amount released to income in the year	(249)	(1,748)
Amount deferred in the year	<u>2,426</u>	<u>249</u>
Balance as at 31 March	<u>2,426</u>	<u>249</u>

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10 - FUNDS

	1 April 2021 £'000	Transfers £'000	Income £'000	Expenditure £'000	31 March 2022 £'000
Restricted funds					
US INL Tajikistan CP 16-17	(73)	286	39	(252)	-
Aid direct S. Sudan Comm. Security 2018-21	3	-	477	(480)	-
DFID - Better Aid in Conflict 19-23	64	-	1,006	(1,074)	(4)
CSSF Myanmar - Strengthening Comm.Security 19-22	25	-	(25)	0	-
EC YEMEN REBUILDING GOV. IN YEMEN 2018-2020	(23)	8	478	(464)	(1)
EU-Africa-China Dialogue	0	(1)	322	(262)	59
EC Stabilization and Peace South Sudan 20-21	95	-	403	(498)	-
Sida Core Support (Sudan) -2019-20	100	-	0	(12)	88
SIDA SOM Building Foundation to Progress Peace 19-20	(136)	-	441	(172)	133
SIDA Addressing Drivers of Conflict Uganda 2020-2024	1,839	-	4	(1,224)	619
ARC Sudan 16-21	708	(162)	1,069	(1,403)	212
ARC Somalia 16-21	677	(258)	804	(1,223)	-
Irish Aid: Strengthening Inclusive Develop. 18-19	(10)	-	-	10	-
USAID Kenya Building Bridges 19-21	(92)	-	408	(331)	(15)
JRCT Peace & Right Based Response 2018-20	29	(29)	55	(55)	-
JRCT-Charting UK/EU arms control 19-2021	14	(14)	64	(64)	-
JRCT-Programme for Security Policy Change 20-21	14	(14)	93	(73)	20
Other smaller projects	(73)	(60)	5,771	(4,916)	722
Total restricted funds	3,161	(244)	11,409	(12,493)	1,833
Total unrestricted funds (Note 11)	1,083	244	2,657	(2,345)	1,639
Total reserves	4,244	-	14,066	(14,838)	3,472

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	1 April 2020	Income	Expenditure	31 March 2021
	£'000	£'000	£'000	£'000
EC Stabilization and Peace – South Sudan	(28)	878	(755)	95
Dutch – Yemen	(49)	59	(10)	-
Canada – Illicit trade China	(63)	71	(8)	-
UK Aid Direct- South Sudan Community Security	(77)	1,398	(1,319)	2
DFID- Better Aid in Conflict	-	1,486	(1,422)	64
US INL Tajikistan CP	(280)	1,520	(1,313)	(73)
CSSF- Nepal Peacebuilding project	(62)	74	(12)	-
Women's Empowerment Cox's Bazar	87	(86)	(1)	-
DFID Chase research grant	(2)	1,155	(1,153)	-
JRCT Peace and Rights based responses	25	26	(23)	28
JRCT- Arms control	16	38	(39)	15
JRCT- Security policy change	-	46	(33)	13
Sida – Uganda: addressing Drivers of Conflict	-	1,889	(50)	1,839
Myanmar CSSF- Strengthening Community Security	24	891	(891)	24
DFID- Promoting Sustainable Peace Kenya	24	139	(164)	(1)
USAID Kenya Building bridges	(23)	235	(303)	(91)
Irish Aid	115	-	(125)	(10)
Sida- Sudan	534	699	(1,133)	100
Netherlands government: Addressing Root Causes Somalia	(247)	2,417	(1,494)	676
Netherlands government: Addressing Root Causes Sudan	1,612	-	(904)	708
EU–Africa-China dialogue	181	-	(181)	-
US State Dept. Kyrgyzstan, Community Security Effectiveness	302	202	(387)	117
EC Kyrgyzstan	(130)	142	(12)	-
UNPBF – Kyrgyzstan	(18)	120	(102)	-
Sida – Somalia Building foundation for peace	(22)	249	(363)	(136)
EC Rebuilding Governance in Yemen	648	1,309	(1,980)	(23)
Other smaller projects	149	1,547	(1,882)	(186)
Total restricted funds	2,716	16,504	-16,059	3,161
Total unrestricted funds (Note 11)	1,007	2,317	-2,241	1,083
Total reserves	3,723	18,821	-18,300	4,244

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Report and accounts for year ended 31 March 2022

11 MOVEMENT OF FUNDS – GROUP AND CHARITY

	At 1 April 2021 £ '000	Income £ '000	Expenditure £ '000	Transfer s £ '000	At 31 March 2022 £ '000
RESTRICTED					
All restricted funds	3,161	11,409	(12,493)	(244)	1,833
Total restricted funds	3,161	11,409	(12,493)	(244)	1,833
UNRESTRICTED					
Swedish International Development Agency	-	2,381	(2,207)	-	174
Other unrestricted income	1,083	276	(138)	244	1,465
Total unrestricted funds	1,083	2,657	(2,345)	244	1,639
TOTAL FUNDS	4,244	14,066	(14,838)	-	3,472

MOVEMENT OF FUNDS – GROUP AND CHARITY 2021

	At 1 April 2020 £ '000	Income £ '000	Expenditure £ '000	Funds transfer £ '000	At 31 March 2021 £ '000
RESTRICTED					
All restricted funds	2,716	16,504	(16,059)	-	3,161
Total restricted funds	2,716	16,504	(16,059)	-	3,161
UNRESTRICTED					
Swedish International Development Agency	-	2,185	(2,185)	-	-
Other unrestricted income	1,007	132	(56)	-	1,083
	1,007	2,317	(2,241)	-	1,083
TOTAL FUNDS	3,723	18,821	(18,300)	-	4,244

The Swedish International Development Agency (Sida) provided £2,381k (2021: £2,185k) to address small arms and light weapons, security sector reform, international transfer controls and impact assessment.

Other unrestricted income is donations from individuals and small grants from foundations and governments.

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Transfers made in the year relate to book keeping adjustments made as a result of updating our database for various old/closed projects. The net effect of this is as shown and resulted in the transfer for £244k (2021:£nil) from Restricted to Unrestricted funds

12 ENTITIES INCLUDED IN GROUP CONSOLIDATED RESULT

Saferworld presents the results of all group entities

All grants / contracts are held by the UK charity, which provides funds to overseas group entities. These entities have limited reserves in their own right with income largely equal to expenditure, subject to timing differences. The entities are listed below, together with their expenditure for the year. Saferworld US is an independent entity registered as a 501(c)3, shares the objectives of Saferworld and has an independent board with some overlapping trustees. As Saferworld UK does not meet all the criteria for exercising control over Saferworld US these numbers are not included in the Saferworld consolidated accounts.

Where appropriate, a number of entities are subject to independent local examination by external auditors in country.

Saferworld entity	2022 £'000	2021 £'000
Saferworld Kenya	422	637
Saferworld Somalia	1,643	1,835
Saferworld Uganda	1,515	1,425
Saferworld South Sudan	3,051	3,221
Saferworld Sudan	1,329	238
Saferworld Europe	204	200
Saferworld Tajikistan (closed May 21)	349	1,267
Saferworld Kyrgyzstan	495	419
Saferworld Nepal	14	82
Saferworld Myanmar	157	705
Saferworld Yemen	764	2,055

13 OPERATING LEASE COMMITMENTS

At the end of the year, the charity had commitments under an operating lease on buildings as follows:

	2022 £'000	2021 £'000
Expiry date :		
Under one year	60	33

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14 SHARE CAPITAL

Saferworld is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.